

The following described lands will be offered for oil and gas leasing through oral competitive bidding in the Department of Transportation auditorium, 2701 Prospect Ave., Helena, Montana, beginning at 9:00 am, September 6, 2006

Tract	Stip	Twp	Rge	Sec	Description	Acres	Bidder	Bid \$/Acr
<b>Blaine</b>								
1	2, 3, 4, 5, 16	30.N	23.E	16	All	640.00		
2	2, 3, 4, 5, 16	30.N	23.E	36	All	640.00		
3	2, 3, 4, 5, 16	30.N	24.E	16	All	640.00		
4	2, 3, 4, 5, 16	30.N	24.E	36	All	640.00		
5	2, 3, 4, 5, 16	31.N	23.E	16	All	640.00		
6	2, 3, 4, 5, 16	31.N	23.E	36	All	640.00		
<b>Carbon</b>								
7	1, 2, 3, 4, 5, 7	5.S	18.E	36	All	640.00		
8	1, 2, 3, 4, 5, 6	5.S	21.E	36	All	* 640.00		
9	2, 3, 4, 5, 6, 16	6.S	18.E	36	NE4NW4, S2NW4, N2NE4, E2SE4, SW4	* 440.00		
10	1, 2, 3, 4, 5, 6	6.S	21.E	16	All	* 640.00		
11	1, 2, 3, 4, 5, 7	6.S	22.E	16	All	640.00		
12	1, 2, 3, 4, 5, 7	7.S	21.E	36	Lots 1 thru 8	312.79		
13	1, 2, 3, 4, 5, 7	8.S	22.E	16	All	640.00		
14	1, 2, 3, 4, 5, 7	8.S	22.E	36	All	640.00		
<b>Carter</b>								
15	1, 2, 3, 4, 5	7.S	58.E	36	All	640.00		
16	1, 2, 3, 4, 5	7.S	59.E	16	All	640.00		
17	1, 2, 3, 4, 5	7.S	59.E	36	All	640.00		
<b>Chouteau</b>								
18	1, 2, 3, 4, 5, 6	25.N	6.E	27	N2	* 320.00		
19	1, 2, 3, 4, 5, 6	25.N	6.E	28	N2	* 320.00		
20	1, 2, 3, 4, 5	25.N	6.E	30	Lot 3, E2NW4, W2NE4, NW4SE4, NE4SW4	280.56		
21	1, 2, 3, 4, 5, 13	25.N	6.E	32	SE4, N2SW4, SE4SW4	280.00		
22	1, 2, 3, 4, 5, 6	25.N	6.E	33	S2	* 320.00		
23	1, 2, 3, 4, 5, 6	25.N	6.E	36	All	* 640.00		
24	1, 2, 3, 4, 5, 6, 9, 11	25.N	7.E	28	SE4SE4, N2SW4, SW4SW4, Teton Riverbed and related acreage	* 161.50		
25	1, 2, 3, 4, 5	25.N	7.E	29	E2	320.00		
26	2, 3, 4, 5, 16	28.N	14.E	8	NE4SE4	40.00		

Tract	Stip	Twp	Rge	Sec	Description	Acres	Bidder	Bid \$/Acr
<b>Custer</b>								
27	2, 3, 4, 5, 16	1.N	45.E	36	All	640.00		
28	1, 2, 3, 4, 5	1.N	47.E	16	All	640.00		
29	1, 2, 3, 4, 5, 6	1.N	47.E	36	All	* 640.00		
30	1, 2, 3, 4, 5, 9, 10, 11	2.N	45.E	16	Lots 1, 2, 3, 4, 5, 7, NW4NW4, N2NE4, NE4SE4, S2S2, Tongue Riverbed and related acreage	492.18		
31	1, 2, 3, 4, 5, 7	2.N	45.E	36	All	640.00		
32	1, 2, 3, 4, 5	2.N	46.E	16	All	640.00		
33	1, 2, 3, 4, 5	2.N	46.E	36	All	640.00		
34	1, 2, 3, 4, 5	2.N	47.E	16	All	640.00		
35	1, 2, 3, 4, 5	2.N	47.E	36	All	640.00		
36	1, 2, 3, 4, 5, 7	3.N	45.E	16	All	640.00		
37	1, 2, 3, 4, 5	3.N	45.E	30	Lots 3, 4, E2SW4, SE4	319.60		
38	1, 2, 3, 4, 5	3.N	46.E	36	All	640.00		
39	1, 2, 3, 4, 5, 7	3.N	47.E	16	All	640.00		
40	1, 2, 3, 4, 5, 7	3.N	47.E	36	All	640.00		
41	1, 2, 3, 4, 5	4.N	45.E	13	E2, NE4SW4, NE4NW4, S2NW4	480.00		
42	1, 2, 3, 4, 5, 7	4.N	45.E	16	All	640.00		
43	1, 2, 3, 4, 5	4.N	45.E	36	All	640.00		
44	1, 2, 3, 4, 5	4.N	46.E	7	Lots 1, 2, 3, 4, E2, E2W2	642.96		
45	1, 2, 3, 4, 5	4.N	46.E	16	All	640.00		
46	1, 2, 3, 4, 5, 9	4.N	46.E	36	All	640.00		
47	1, 2, 3, 4, 5, 6, 10, 11	4.N	47.E	16	Lots 1, 2, 3, 4, 5, W2, N2NE4, SW4NE4, NW4SE4, Tongue Riverbed and related acreage	* 640.00		
48	1, 2, 3, 4, 5	4.N	47.E	36	All	640.00		
49	1, 2, 3, 4, 5, 7	5.N	45.E	4	Lots 2, 3, SW4NE4, SE4NW4, E2SW4, W2SE4	319.74		
50	1, 2, 3, 4, 5	5.N	45.E	12	W2	320.00		
51	1, 2, 3, 4, 5	5.N	45.E	14	NE4	160.00		
52	1, 2, 3, 4, 5, 7	5.N	45.E	16	All	640.00		
53	1, 2, 3, 4, 5, 6, 13	5.N	45.E	24	N2, NE4SW4, N2SE4, SE4SE4	* 480.00		
54	1, 2, 3, 4, 5, 8	5.N	45.E	25	All (50% interest)	640.00		
55	1, 2, 3, 4, 5	5.N	45.E	26	W2	320.00		
56	1, 2, 3, 4, 5, 6	5.N	45.E	36	All	* 640.00		
57	1, 2, 3, 4, 5	5.N	46.E	16	All	640.00		
58	1, 2, 3, 4, 5	5.N	46.E	18	Lots 1, 2, E2NW4, N2NE4	237.94		

Tract	Stip	Twp	Rge	Sec	Description	Acres	Bidder	Bid \$/Acr
59	1, 2, 3, 4, 5, 8	5.N	46.E	30	Lots 1, 2, 3, 4, E2W2, E2 (50% interest in Lots 1, 2, 3, SE4NW4)	639.36		
60	1, 2, 3, 4, 5, 7	5.N	46.E	36	All	640.00		
61	1, 2, 3, 4, 5, 6, 9, 11	5.N	47.E	12	E2	* 320.00		
62	1, 2, 3, 4, 5	5.N	47.E	16	All	640.00		
63	1, 2, 3, 4, 5	5.N	47.E	36	All	640.00		
<b>Powder River</b>								
64	2, 3, 4, 5, 16	1.S	45.E	1	Lots 1, 2, 3, 4, S2N2, S2	663.60		
65	1, 2, 3, 4, 5	1.S	45.E	11	All	640.00		
66	1, 2, 3, 4, 5	1.S	45.E	12	S2NW4, SW4NE4, N2SE4, SW4SE4, NW4SW4, SE4SW4	320.00		
67	1, 2, 3, 4, 5	1.S	45.E	13	All	640.00		
68	1, 2, 3, 4, 5	1.S	45.E	14	N2N2	160.00		
69	1, 2, 3, 4, 5, 7	1.S	45.E	16	All	640.00		
70	1, 2, 3, 4, 5	1.S	45.E	23	N2	320.00		
71	2, 3, 4, 5, 16	1.S	45.E	36	Lots 1, 2, 3, 4, W2, W2E2	637.68		
72	2, 3, 4, 5, 16	1.S	46.E	7	Lots 1, 2, 3, 4, E2W2, E2	620.72		
73	2, 3, 4, 5, 16	1.S	46.E	17	Lots 1 thru 8, S2	545.42		
74	1, 2, 3, 4, 5, 10	1.S	46.E	18	Lots 1, 2, SE4NW4, NE4SW4	150.00		
75	1, 2, 3, 4, 5	1.S	46.E	19	Lots 1, 2, 3, 4, E2W2, E2	618.72		
76	1, 2, 3, 4, 5, 10	1.S	46.E	20	S2NW4	80.00		
77	2, 3, 4, 5, 16	1.S	46.E	31	Lots 1, 2, 3, 4, E2W2, E2	616.48		
78	1, 2, 3, 4, 5, 13	1.S	48.E	16	All	640.00		
79	1, 2, 3, 4, 5	1.S	48.E	36	All	640.00		
80	2, 3, 4, 5, 16	2.S	48.E	16	All	640.00		
81	1, 2, 3, 4, 5	2.S	48.E	36	All	640.00		
82	2, 3, 4, 5, 16	3.S	47.E	36	All	640.00		
83	1, 2, 3, 4, 5	3.S	48.E	16	All	640.00		
84	1, 2, 3, 4, 5	3.S	48.E	30	Lots 1, 2, E2NW4, NE4	314.54		
85	1, 2, 3, 4, 5	3.S	48.E	36	All	640.00		
86	1, 2, 3, 4, 5, 7	4.S	48.E	16	All	640.00		
87	1, 2, 3, 4, 5	4.S	48.E	36	All	640.00		
88	1, 2, 3, 4, 5, 7	5.S	48.E	36	All	640.00		
89	1, 2, 3, 4, 5	5.S	49.E	16	All	640.00		
90	1, 2, 3, 4, 5	5.S	49.E	36	All	640.00		
91	1, 2, 3, 4, 5, 7	6.S	49.E	16	All	640.00		
92	1, 2, 3, 4, 5	6.S	49.E	36	All	640.00		
93	1, 2, 3, 4, 5, 6	7.S	49.E	16	All	* 640.00		

Tract	Stip	Twp	Rge	Sec	Description	Acres	Bidder	Bid \$/Acr
94	1, 2, 3, 4, 5, 7	8.S	46.E	4	NW4SE4, S2SE4	120.00	_____	_____
95	1, 2, 3, 4, 5	8.S	46.E	16	W2, N2NE4, S2SE4	480.00	_____	_____
96	1, 2, 3, 4, 5	8.S	47.E	16	All	640.00	_____	_____
97	1, 2, 3, 4, 5, 7	8.S	47.E	25	S2NW4	80.00	_____	_____
98	1, 2, 3, 4, 5	8.S	47.E	26	NW4, S2NE4	240.00	_____	_____
99	1, 2, 3, 4, 5, 7	8.S	47.E	36	All	640.00	_____	_____
100	1, 2, 3, 4, 5, 7	8.S	48.E	32	E2SE4	80.00	_____	_____
101	1, 2, 3, 4, 5, 7	9.S	46.E	16	SE4NW4, S2NE4, S2	440.00	_____	_____
102	1, 2, 3, 4, 5, 7	9.S	47.E	23	NW4SE4, S2SE4, NE4SW4	160.00	_____	_____
103	1, 2, 3, 4, 5, 9, 10, 12	9.S	47.E	24	Lots 3, 4, 5, 6, 7, and associated Powder River acreage	209.80	_____	_____
104	1, 2, 3, 4, 5, 9, 10, 12	9.S	47.E	25	Lots 1, 2, 3, 5, 6, 7, 8, NE4, N2SE4, SE4SE4, SW4SW4, and associated Powder River acreage	563.40	_____	_____
105	1, 2, 3, 4, 5, 7, 9, 12	9.S	47.E	26	Lots 1, 4, and associated Powder River acreage	77.50	_____	_____
106	1, 2, 3, 4, 5, 7, 9, 10, 12	9.S	47.E	36	Lots 1, 4, 5, 9, 10, NW4NW4, NW4SW4, and associated Powder River acreage	240.00	_____	_____
107	1, 2, 3, 4, 5, 7, 9, 10, 12	9.S	48.E	4	Lot 6 and associated Powder River acreage	34.60	_____	_____
108	1, 2, 3, 4, 5, 6, 9, 10, 12	9.S	48.E	8	Lots 4, 5, 6, 9, N2SE4, SW4SE4, and associated Powder River acreage	* 236.80	_____	_____
109	2, 3, 4, 5, 6, 12, 16	9.S	48.E	9	Lots 1, 3, 4, W2NE4, N2SW4, and associated Powder River acreage	* 268.60	_____	_____
110	1, 2, 3, 4, 5, 7	9.S	48.E	16	All	640.00	_____	_____
111	1, 2, 3, 4, 5, 7, 9, 10, 12	9.S	48.E	18	Lots 8, 12, 14, and associated Powder River acreage	98.00	_____	_____
112	1, 2, 3, 4, 5, 9, 10, 12	9.S	48.E	19	Lots 11, 12, 13, 14, and associated Powder River acreage	146.50	_____	_____
113	1, 2, 3, 4, 5, 10	9.S	48.E	20	N2SE4, NE4SW4	120.00	_____	_____
114	1, 2, 3, 4, 5	9.S	48.E	30	Lots 1, 4	80.60	_____	_____
115	1, 2, 3, 4, 5, 9	9.S	48.E	31	Lots 1, 2, 4, 5, SE4NW4, NE4SW4	245.98	_____	_____
116	1, 2, 3, 4, 5, 7	9.S	48.E	36	Lots 1, 2, 3, 4, N2, N2S2	643.80	_____	_____
<b>Rosebud</b>								
117	1, 2, 3, 4, 5, 7	1.N	39.E	16	N2	320.00	_____	_____
118	1, 2, 3, 4, 5, 7	1.N	39.E	36	All	640.00	_____	_____
119	1, 2, 3, 4, 5, 15	1.N	40.E	16	All	640.00	_____	_____
120	1, 2, 3, 4, 5, 7	1.N	40.E	36	Lots 1 thru 7, NW4, W2NE4, NW4SE4, N2SW4	603.65	_____	_____

Tract	Stip	Twp	Rge	Sec	Description	Acres	Bidder	Bid \$/Acr
121	1, 2, 3, 4, 5, 7	1.N	41.E	16	All	640.00	_____	_____
122	1, 2, 3, 4, 5	1.N	41.E	36	All	640.00	_____	_____
123	1, 2, 3, 4, 5	1.N	42.E	16	All	640.00	_____	_____
124	1, 2, 3, 4, 5	1.N	42.E	36	All	640.00	_____	_____
125	1, 2, 3, 4, 5	1.N	43.E	16	All	640.00	_____	_____
126	1, 2, 3, 4, 5, 7	1.N	43.E	36	All	640.00	_____	_____
127	1, 2, 3, 4, 5	1.N	44.E	16	All	640.00	_____	_____
128	1, 2, 3, 4, 5, 7	1.N	44.E	36	All	640.00	_____	_____
129	1, 2, 3, 4, 5, 7	2.N	39.E	16	All	640.00	_____	_____
130	1, 2, 3, 4, 5, 7	2.N	39.E	18	W2	320.00	_____	_____
131	1, 2, 3, 4, 5, 15	2.N	39.E	36	Lots 1, 2, 3, 4, W2, W2E2	633.32	_____	_____
132	1, 2, 3, 4, 5	2.N	40.E	16	All	640.00	_____	_____
133	1, 2, 3, 4, 5, 7, 15	2.N	40.E	36	All	640.00	_____	_____
134	1, 2, 3, 4, 5, 6	2.N	41.E	16	All	* 640.00	_____	_____
135	1, 2, 3, 4, 5	2.N	41.E	36	All	640.00	_____	_____
136	1, 2, 3, 4, 5, 7	2.N	42.E	16	All	640.00	_____	_____
137	1, 2, 3, 4, 5, 7	2.N	42.E	36	All	640.00	_____	_____
138	1, 2, 3, 4, 5, 10	2.N	43.E	6	Lots 1, 4	94.41	_____	_____
139	1, 2, 3, 4, 5	2.N	43.E	16	W2W2, E2E2	320.00	_____	_____
140	1, 2, 3, 4, 5	2.N	43.E	36	All	640.00	_____	_____
141	1, 2, 3, 4, 5	2.N	44.E	16	All	640.00	_____	_____
142	1, 2, 3, 4, 5, 6, 10	2.N	44.E	36	Lots 1, 2, 3, N2, N2SE4, SW4	* 640.00	_____	_____
143	1, 2, 3, 4, 5	3.N	39.E	6	S2	320.00	_____	_____
144	1, 2, 3, 4, 5	3.N	39.E	16	S2	320.00	_____	_____
145	1, 2, 3, 4, 5	3.N	39.E	36	Lots 1, 2, 3, 4, W2, W2E2	687.84	_____	_____
146	1, 2, 3, 4, 5	3.N	40.E	16	All	640.00	_____	_____
147	1, 2, 3, 4, 5	3.N	40.E	36	All	640.00	_____	_____
148	1, 2, 3, 4, 5	3.N	41.E	16	All	640.00	_____	_____
149	1, 2, 3, 4, 5	3.N	41.E	36	All	640.00	_____	_____
150	1, 2, 3, 4, 5	3.N	42.E	16	All	640.00	_____	_____
151	1, 2, 3, 4, 5	3.N	42.E	36	All	640.00	_____	_____
152	1, 2, 3, 4, 5	3.N	43.E	16	All	640.00	_____	_____
153	1, 2, 3, 4, 5, 7	3.N	43.E	36	All	640.00	_____	_____
154	1, 2, 3, 4, 5	3.N	44.E	16	All	640.00	_____	_____
155	1, 2, 3, 4, 5, 7	3.N	44.E	36	Lots 1, 2, 3, 4, N2, N2S2	646.68	_____	_____
156	1, 2, 3, 4, 5	4.N	39.E	16	All	640.00	_____	_____

Tract	Stip	Twp	Rge	Sec	Description	Acres	Bidder	Bid \$/Acr
157	1, 2, 3, 4, 5, 7	4.N	39.E	36	Lots 1, 2, 3, 4, W2, W2E2	667.60	_____	_____
158	1, 2, 3, 4, 5, 6, 10	4.N	40.E	16	All	* 640.00	_____	_____
159	1, 2, 3, 4, 5	4.N	40.E	36	All	640.00	_____	_____
160	1, 2, 3, 4, 5	4.N	41.E	16	All	640.00	_____	_____
161	1, 2, 3, 4, 5, 7	4.N	41.E	36	All	640.00	_____	_____
162	1, 2, 3, 4, 5, 7	4.N	42.E	16	All	640.00	_____	_____
163	1, 2, 3, 4, 5, 7	4.N	42.E	36	All	640.00	_____	_____
164	1, 2, 3, 4, 5	4.N	43.E	16	All	640.00	_____	_____
165	1, 2, 3, 4, 5	4.N	43.E	36	All	640.00	_____	_____
166	1, 2, 3, 4, 5	4.N	44.E	16	All	640.00	_____	_____
167	1, 2, 3, 4, 5	4.N	44.E	36	All	640.00	_____	_____
168	1, 2, 3, 4, 5	5.N	39.E	36	E2	320.00	_____	_____
169	1, 2, 3, 4, 5, 7	5.N	40.E	16	All	640.00	_____	_____
170	1, 2, 3, 4, 5, 7	5.N	40.E	36	All	640.00	_____	_____
171	1, 2, 3, 4, 5	5.N	41.E	16	All	640.00	_____	_____
172	1, 2, 3, 4, 5	5.N	41.E	36	All	640.00	_____	_____
173	1, 2, 3, 4, 5	5.N	42.E	16	E2W2, E2	480.00	_____	_____
174	1, 2, 3, 4, 5	5.N	42.E	36	Lots 1, 2, 3, 4, W2, W2E2	633.80	_____	_____
175	1, 2, 3, 4, 5	5.N	43.E	16	All	640.00	_____	_____
176	1, 2, 3, 4, 5	5.N	43.E	36	All	640.00	_____	_____
177	1, 2, 3, 4, 5, 7	5.N	44.E	16	All	640.00	_____	_____
178	1, 2, 3, 4, 5, 7	5.N	44.E	36	Lots 1, 2, 3, 4, W2, W2E2	643.60	_____	_____
179	1, 2, 3, 4, 5	12.N	32.E	28	S2	320.00	_____	_____
180	1, 2, 3, 4, 5, 7	1.S	39.E	36	All	640.00	_____	_____
181	1, 2, 3, 4, 5	1.S	40.E	16	All	640.00	_____	_____
182	1, 2, 3, 4, 5	1.S	40.E	36	Lots 1, 2, 3, 4, W2, W2E2	636.78	_____	_____
183	1, 2, 3, 4, 5, 15	1.S	41.E	16	All	640.00	_____	_____
184	1, 2, 3, 4, 5, 7	1.S	41.E	36	All	640.00	_____	_____
185	1, 2, 3, 4, 5, 15	1.S	42.E	16	All	640.00	_____	_____
186	1, 2, 3, 4, 5, 15	1.S	42.E	36	All	640.00	_____	_____
187	1, 2, 3, 4, 5, 15	1.S	43.E	16	All	640.00	_____	_____
188	1, 2, 3, 4, 5	1.S	43.E	36	All	640.00	_____	_____
189	1, 2, 3, 4, 5, 7, 10, 11	1.S	44.E	16	Lots 1, 2, 3, 4, 5, N2, SW4, Tongue Riverbed and related acreage	640.00	_____	_____
190	1, 2, 3, 4, 5	1.S	44.E	36	All	640.00	_____	_____

Tract	Stip	Twp	Rge	Sec	Description	Acres	Bidder	Bid \$/Acr
<b>Sheridan</b>								
191	1, 2, 3, 4, 5, 6, 8	35.N	58.E	36	Lots 1 thru 12, W2	* 866.52	_____	_____
<b>Stillwater</b>								
192	1, 2, 3, 4, 5, 7	4.S	16.E	16	All	640.00	_____	_____
193	1, 2, 3, 4, 5, 7	4.S	16.E	36	All	640.00	_____	_____
194	1, 2, 3, 4, 5, 7	5.S	17.E	16	All	640.00	_____	_____
195	1, 2, 3, 4, 5, 6	5.S	18.E	16	All	* 640.00	_____	_____
<b>Sweet Grass</b>								
196	1, 2, 3, 4, 5	4.N	17.E	8	All	640.00	_____	_____
197	1, 2, 3, 4, 5	4.N	17.E	16	All	640.00	_____	_____
<b>Teton</b>								
198	1, 2, 3, 4, 5, 6	24.N	1.W	36	All, less patented RR R/W	* 626.94	_____	_____
<b>Toole</b>								
199	1, 2, 3, 4, 5, 6, 14	34.N	1.W	16	W2, from the surface to the base of the Sunburst formation	* 320.00	_____	_____
<b>Yellowstone</b>								
200	1, 2, 3, 4, 5	4.N	26.E	26	E2W2	160.00	_____	_____

### *Summary by Lessor*

*Dept of Natural Resources & Conservation*

107080.51

200

**Total Acres for Lease Sale** 107080.51

**Total Tracts for Lease Sale** 200

\* Part or all of tract is not state-owned surface

Additional lease stipulations are listed on the following pages. The STIP Column on the lease sale list identifies which stipulations will be attached to each tract.

Sight drafts will not be accepted. The State Board of Land Commissioners reserves the right to reject any and all bids. All payments are due within ten days after the date of sale.

Individuals with disabilities needing assistance or special services, please call Julie David at (406)444-4576 at least 1 week prior to the sale.

STATE BOARD OF LAND COMMISSIONERS

## Stipulations

1. Lessee shall notify and obtain approval from the Department's Trust Land Management Division (TLMD) prior to constructing well pads, roads, power lines, and related facilities that may require surface disturbance on the tract. Lessee shall comply with any mitigation measures stipulated in TLMD's approval.
2. Prior to the drilling of any well, lessee shall send one copy of the well prognosis, including Form 22 "Application for Permit" to the Department's Trust Land Management Division (TLMD). After a well is drilled and completed, lessee shall send one copy of all logs run, Form 4A "Completion Report", and geologic report to TLMD. A copy of Form 2 "Sundry Notice and Report of Wells" or other appropriate Board of Oil and Gas Conservation form shall be sent to TLMD whenever any subsequent change in well status or operator is intended or has occurred. Lessee shall also notify and obtain approval from the TLMD prior to plugging a well on the lease premises.

Issuance of this lease in no way commits the Land Board to approval of coal bed methane production on this lease. Any coal bed methane extraction wells would require subsequent review and approval by the board.

3. The TLMD will complete an initial review for cultural resources and, where applicable, paleontological resources of the area intended for disturbance and may require a resources inventory. Based on the results of the inventory, the TLMD may restrict surface activity for the purpose of protecting significant resources located on the lease premises.
4. The lessee shall be responsible for controlling any noxious weeds introduced by lessee's activity on State-owned land and shall prevent or eradicate the spread of those noxious weeds onto land adjoining the lease premises.
5. The definitions of "oil" and "gas" provided in 82-1-111, MCA, do not apply to this lease for royalty calculation purposes.
6. Lessee must contact the owner of the surface in writing at least 30 days prior to any surface activity. A copy of the correspondence shall be sent to TLMD.
7. Due to unstable soil conditions on this tract and/or topography that is rough and/or steep, surface use may be restricted or denied. Seismic activity may be restricted to poltershots.
8. The lessee is responsible to pay for all damages, including penalties and charges assessed by the USDA-CFSA on CRP lands, as a result of drilling and production on the tract.
9. Any activity within 1/8 mile of the river, flood plain, or lake/reservoir on or adjacent to this tract must be approved in writing by the TLMD prior to commencement. No surface occupancy is allowed within the bed of the river, abandoned channels, the bed of the lake/reservoir, or on islands and accretions associated with the river or lake/reservoir.
10. Due to the floodplain/wetlands area(s), surface use may be restricted or denied.
11. This tract contains navigable riverbeds. No surface occupancy is allowed within the bed of the navigable river, abandoned channels, or on islands and accretions. In addition, upon completion of a successful well, where river title is disputed, the lessee will file an interpleader action under Rule 22, M.R.Civ.P. in the Montana District Court, or other court having jurisdiction, in which the leased lands are located for all acreage within the lease in which the title is disputed. The lessee shall name all potential royalty claimants as defendants.
12. This tract contains non-navigable river/lake bed(s). The State, as a riparian owner, may have an ownership claim to adjacent river/lake bed(s) and related acreage in this tract. Upon completion of a successful well, where river or lake title or adjoining land title is disputed, the lessee will file an interpleader action under Rule 22, M.R.Civ.P. in the Montana District Court, or other court having jurisdiction, in which the leased lands are located for all acreage within the lease in which the title is disputed. The lessee shall name all potential royalty claimants as defendants.



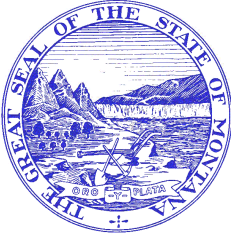
## **Stipulations**

13. No surface occupancy of the school area and/or related facilities is permitted without written approval of TLMD.
14. This tract has (an) existing well(s) and related facilities. The lessee has 45 days from the effective date of this lease to determine whether or not to assume responsibility from the former lessee for the well(s) and any existing facilities. The lessee may not enter the well(s) until a change of operator has been filed with, and approved by, the Board of Oil and Gas Conservation. The(se) well(s) must be returned to commercial production or plugged and the well site(s) reclaimed within 6 months from the effective date of this lease.
15. This lease is issued subject to a prior existing State of Montana coal lease. Lessee's right to search for, develop, and produce oil and gas may be restricted by such prior existing lease rights.
16. This lease includes areas that may be environmentally sensitive. Therefore, if the lessee intends to conduct any activities on the lease premises, the lessee shall submit to TLMD one copy of an Operating Plan or Amendment to an existing Operating Plan, describing in detail the proposed activities. No activities shall occur on the tract until the Operating Plan or Amendments have been approved in writing by the Director of the Department. TLMD shall review the Operating Plan or Amendment and notify the lessee if the Plan or Amendment is approved or disapproved.

After an opportunity for an informal hearing with the lessee, surface activity may be denied or restricted on all or portions of any tract if the Director determines in writing that the proposed surface activity will be detrimental to trust resources and therefore not in the best interests of the trust.

# DEPARTMENT OF NATURAL RESOURCES AND CONSERVATION

## Trust Land Management Division



BRIAN SCHWEITZER, GOVERNOR

1625 ELEVENTH AVENUE

DIRECTOR'S OFFICE (406) 444-2074  
TELEFAX NUMBER (406) 444-2684

PO BOX 201601  
HELENA, MONTANA 59620-1601

TO ALL INTERESTED PARTIES:

RE: December 6, 2006 Oil and Gas Lease Sale

In order to give as much advance notice as possible, this notice is to advise that the date of the December 2006 Oil and Gas Lease Sale has been set for **WEDNESDAY, DECEMBER 6, 2006**, at 9:00 A.M. in the auditorium of the Department of Transportation building at 2701 Prospect Avenue, Helena, Montana, east of the interstate highway. Please call the Department of Natural Resources and Conservation for detailed directions, if necessary.

The deadline filing date for submitting applications on tracts to be nominated for the sale in December is 5:00pm on September 26, 2006. Applications must be received in this office by that date. If you have any questions, please contact me at [jdavid@mt.gov](mailto:jdavid@mt.gov) or (406) 444-4576.

Julie David, Supervisor  
Mineral Leasing Section  
Minerals Management Bureau